

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: AUGUST 5, 2009

DEPARTMENT: HUMAN RESOURCES**DIRECTOR: F. CLAUDETTE ENUS**☐ Consent ☒ Discussion**SUBJECT:**

ADMINISTRATIVE:

Discussion and possible action regarding a Tentative Agreement between the International Association of Firefighters (IAFF), Local 1285 and the City of Las Vegas regarding current labor agreement (FY10 impact of \$1,775,000 – General Fund)

Fiscal Impact☐**No Impact**☐**Augmentation Required**☐**Budget Funds Available****Amount:** FY10 impact of \$1,775,000**Funding Source:** General Fund**Dept./Division:** Fire and Rescue**PURPOSE/BACKGROUND:**

The IAFF leadership and senior City Management have come to a tentative agreement that will be a factor in helping avoid the forecasted budgetary shortfall the City is facing over the next five years and helps provide additional job security for many of our employees. Approximately 75% of the City's costs go to wages and benefits, therefore the City Council asked that the City's four bargaining units work with management. In the spirit of trying to retain services for our citizens and to preserve as many jobs as possible the leadership of the IAFF and the City have negotiated a tentative agreement and are presenting the resulting Tentative Agreement to Council for Approval.

RECOMMENDATION:

To approve the Tentative Agreement between the International Association of Firefighters and the City of Las Vegas

BACKUP DOCUMENTATION:

1. CLV and IAFF, 1285 Tentative Agreement
2. Submitted after Meeting – PowerPoint Presentation by Staff

Motion made by GARY REESE to Approve and incorporating all comments made during the discussion

Passed For: 7; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 0

RICKI Y. BARLOW, LOIS TARKANIAN, STEVE WOLFSON, OSCAR B. GOODMAN,
GARY REESE, STEVEN D. ROSS, STAVROS S. ANTHONY; (Against-None); (Abstain-None); (Did Not Vote-None); (Excused-None)

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Minutes:

CITY MANAGER ELIZABETH FRETWELL and MARK VINCENT, Director of Finance and Business Services, utilized a PowerPoint presentation to give details on the tentative agreement between the International Association of Firefighters (IAFF), Local 1285 and the City of Las Vegas.

CITY MANAGER FRETWELL explained that for the past 15 years, contracts have had step increases ranging from 4.8 to 8 percent, and the steps have never been re-negotiated. The City's fiscal status is not good, as the Fiscal Year (FY) 2010 budget is facing a \$30 million shortfall. In order to balance this operating budget by FY 2015, the City needs to reduce the fund balance between FYs 2010 through 2012, transfer a cumulative \$22 million from Revenue Stabilization Fund (RSF) to the General Fund in FYs 2012 through 2015, and reduce programs or roll back compensation by an additional \$25 million in FY 2011.

Senate Bill 427 will be effective January 1, 2010, whereby arbitrators will have to consider other government employee compensation both in and out of state, and the agency's ability to pay over the course of the multi-year contract and not just the first year. A report at a public hearing is required next year, which will show the fiscal impact, the negotiation process and full accounting at the end of negotiations.

COUNCILMAN ROSS believed the reports will be instrumental in addressing misinformation within communities.

MR. VINCENT explained in the City's agreement with the IAFF, there is an approximate .09 percent in wage reductions. The tentative agreement would be for two years with no Cost of Living Allowance (COLA) for the first year and the City will pay 100 percent of the Public Employees Retirement System (PERS) contribution. There is also a new article, education incentive, which gives employees an option to receive annual incentive pay rather than tuition reimbursement. Regarding the medical benefit, the City's contribution has increased to \$53 per employee.

MAYOR GOODMAN questioned the outcome if arbitration had taken place. CITY MANAGER FRETWELL responded there would have been issues with the City's ability to pay long term. The Mayor recognized the many lives saved and services provided by the IAFF, as they are a great department, who have reduced their budget by \$2.9 million. He appreciated their dedication and commitment through their efforts to work with the City.

COUNCILMAN REESE stated the City and the IAFF has worked together, noting that 97 percent of the employees supported the negotiation contract. The Council appreciated DEAN FLETCHER and FIRE CHIEF GREG GAMMON'S efforts with the tentative agreement.

CITY MANAGER FRETWELL informed COUNCILMAN WOLFSON that there are approximately 650 employees within the IAFF. MR. VINCENT added that 75 percent are ineligible for step increases, and the IAFF constitutes 20 percent of the City's General Fund

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budget. COLA is determined by the Western States Consumer Price Index (CPI). It is believed that COLA should replicate the CPI. CITY MANAGER FRETWELL emphasized that one has to be careful when dealing with CPI, as with high inflation, the CPI increases and the ability to pay decreases. COUNCILMAN WOLFSON expressed his support and suggested that the COLA should not be increased when the CPI does not increase. In addition, previous employee contracts should not be identical to those of new employees.

MR. VINCENT commented that 60 percent of the General Fund is dedicated to public safety. COUNCILMAN ROSS congratulated all of the labor units for their efforts and recognized that public safety is an invaluable service. MR. VINCENT stated that eight percent of the fund balance is protected by the State; however, the extra funding in the RSF would have been used for labor funding. CITY MANAGER FRETWELL added that the State law requires the arbitrator considers the ability to fund over the length of the contract, and the City's track record regarding arbitration is not great.

Regarding the unfunded liability for retiree benefits, MR. VINCENT stated that the required contribution is approximately \$24 million; the City does not have these monies, as is the case for almost every government. The City is required to pay for this liability, and it is recommended that the City establishes this fund, as it will give way for better investment returns and help buy down the unfunded liability. This trust fund would be protected from collective bargaining. CITY MANAGER FRETWELL noted that the "new employee's" compensation and benefits will not change this, as the post employee benefits are driven by State law.

DEAN FLETCHER, President of International Association of Firefighters (IAFF), Local 1285, reaffirmed that employees are working with less and doing more. He thanked the Council for their support.